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TRADE AND DEVELOPMENT BOARD

Eleventh special session

SUMMARY RECORD OF THE 307th MEETING

held at the Palais des Nations, Geneva
on Friday, 13 March 1970, at 3.30 p.m.

President: Mr. FURNIVALL (New Zealand)

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The meeting was called to order at 3.15 p.m.

OPENING OF THE SESSION

1. The PRESIDENT declared open the eleventh special session of the Trade and Development Board.

PROCEDURAL MATTERS (agenda item 1)

(a) ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION (TD/B/777)

2. The agenda was adopted.

3. The PRESIDENT suggested that agenda item 2 should be dealt with in plenary.

4. It was so decided.

(b) TREATMENT OF NEW STATES MEMBERS OF UNCTAD FOR PURPOSES OF ELECTIONS

5. The PRESIDENT suggested that item 1(b) should be taken up at the twentieth session of the Board, scheduled to open on 17 March 1980.

6. It was so decided.

(c) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD

7. The PRESIDENT informed the Board that its membership stood at 121 member States.

THE CONTRIBUTION OF UNCTAD TO THE PREPARATION OF THE NEW INTERNATIONAL DEVELOPMENT STRATEGY FOR THE THIRD UNITED NATIONS DEVELOPMENT DECADE (agenda item 2) (TD/B/775, 785 and Add.1, TD/B/AC.31/L.2, TD/B/AC.31/CRP.3 and Corr.1, CRP.4 and Corr.1, CRP.5 and CRP.6)

8. The PRESIDENT said that the High-level Intergovernmental Group on the Contribution of UNCTAD to the preparation of the New International Development Strategy had met twice. The report on the first session was available (TD/B/785), and the report on the second session would appear the following week as document TD/B/791. He drew attention to General Assembly resolution 34/211, in which the General Assembly had reaffirmed that the new International Development Strategy should address itself, among its priority objectives, to increasing substantially the flow of resources in real terms to the developing countries on a predictable, continuous and increasingly assured basis. The Board was expected to make its contribution to the formulation of the new Strategy available to the Preparatory Committee at its fifth session to be held from 14 to 25 April 1980.

9. Mr. MARKER (Pakistan), speaking in his capacity as Chairman of the High-Level Intergovernmental Group on the Contribution of UNCTAD to the Preparation of the New International Development Strategy, said that on 28 January 1980 the High-Level Intergovernmental Group had elected him (Mr. Marker) as its Chairman

and Mr. G. Menze (Federal Republic of Germany) as Vice-Chairman-cum-Rapporteur. Mr. L. Sekulić (Yugoslavia) had acted as interim Chairman. The Group had held two sessions, the first from 30 January to 3 February 1980 and the second from 10 to 13 March 1980. Discussions on a draft of the contribution by UNCTAD to the formulation of the International Development Strategy had been held both at plenary meetings of the High-Level Intergovernmental Group and in a Contact Group. The discussions had been inconclusive because of lack of time. Nevertheless, the High-Level Group had endorsed the recommendations of the Intergovernmental Group on the Least Developed Countries (TD/B/767, annex I, resolution 6 (III), text also reproduced in document TD/B/AC.31/L.2), and had agreed that those recommendations should form part of the contribution of UNCTAD to the new Strategy. The High-Level Group had also agreed that the intergovernmental negotiations in progress in UNCTAD on various issues should continue and should be brought to a successful conclusion as soon as possible. The position papers submitted on behalf of various groups of countries (TD/B/AC.31/CRP.3 and Corr.1, CRP.5 and CRP.6) and the text of the recommendations concerning the least developed countries (TD/B/AC.31/L.2) would be annexed to the report of the High-Level Intergovernmental Group.

12. Mr. ZAGARI (Italy), speaking on behalf of Group B and introducing document TD/B/AC.31/CRP.4, said that the new International Development Strategy should provide a common framework to facilitate co-operative efforts aimed at accelerating development, reducing world poverty and contributing to a more efficient, just and equitable international economic order. It was important to obtain widespread agreement on the Strategy's goals and on the policy measures needed to achieve them. Care must be taken to establish in detail the mechanisms by which internal policy efforts and external policy measures related to one another and to these objectives.

13. An efficient, growing and increasingly stable world economy could substantially facilitate the efforts of developing countries to strengthen and diversify their economies and to improve the living standards of their people in the coming development decade. The international community should, therefore, facilitate the structural changes necessary to promote an efficient and growing world economy, to encourage the expansion of the developing countries' economic role in the international system and to facilitate meaningful improvements in their economic and social situation. The economic well-being of any given country could not be pursued in isolation, and intensified economic co-operation among all countries, with each country contributing according to its capacity, was essential to improving global economic relations and achieving mutually beneficial changes in the world economy.

14. The new International Development Strategy should be concerned, among other things, with: realistically ambitious and coherent goals and objectives, account being taken of existing problems in the increasingly interdependent international economy; an appropriate balance between economic growth and human welfare, with special emphasis on increased productive employment; an appropriate balance between the commitments and undertakings of all partners in the development process and the international economic system; primary responsibility of the developing countries for their own development; effective efforts to facilitate

financial flows, including official development assistance, to developing countries; realistic recognition of differences among developing countries, with special attention being paid to faster progress by the low-income countries; effective efforts to render development co-operation and assistance consistent with specific, internationally agreed priority objectives; recognition of the mutual interest of developed and developing countries in the flows of trade and financial resources between the two groups, as well as among the developing countries themselves; the responsibility of all countries with regard to strengthening and maintaining an open world trading system; effective efforts to expand exports, both manufactured and resource-based, and to implement the Integrated Programme for Commodities as agreed in UNCTAD resolution 93 (IV); recognition of the role of market forces in the continuing adjustment process.

13. He asked that the text of his statement should be annexed to the report on the special session.

14. Mr. DAS (India), speaking on behalf of the Group of 77 and introducing document TD/B/AC.31/CRP.3 and Corr.1, said that the Second United Nations Development Decade had not achieved its objectives. In the course of the decade, the problems facing the world had been further aggravated and the gap between rich and poor had widened. It was essential, therefore, that greater efforts should be made during the third development decade.

15. The problems of the world economy were not cyclical in nature but were the result of basic defects in the world economic system. It was not enough to eradicate poverty in the world. The world community, groups of countries and individual countries must work towards eliminating maladjustments in the world economic system in order to achieve greater equality by the end of the third development decade. What was needed was a complete overhaul of institutional and economic frameworks. The Group of 77 had made specific suggestions for programmes, objectives and guidelines relating to various sectors within the competence of UNCTAD. It was essential, for example, to reshape the commodity market, to improve commodity processing and to give developing countries greater control over processing, marketing, manufacture and trade. The monetary and financial system must also be restructured.

16. The development of economic co-operation among the developing countries themselves was extremely important, and although the improvement of such co-operation was mainly the responsibility of those countries, the world community as a whole should make a contribution by creating an environment that would foster such co-operation.

17. Despite the efforts of the Group of 77, the High-Level Intergovernmental Group had been unable to enter into meaningful negotiations and had therefore not been in a position to submit to the Board a document embodying a consensus. However, the position papers prepared by the groups represented important contributions, and he hoped that they would be taken into consideration in the formulation of the new International Development Strategy.

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1/ The report is to be circulated as document TD/B/709.

2/ Chapter II, Agreed Text (TD/B/C.3/AC.1 and Corr.1 and 2), reproduced in Proceedings of the United Nations Conference on Trade and Development, second session, vol. I, Annex II, p. A.3.

not be right for UNCTAD to shirk its responsibilities by submitting itself to a decision to be taken in another forum. He had devoted the best years of his working life to UNCTAD, and was most reluctant to allow it to become known as an organization that shirked its responsibilities.

34. Mr. FARTHING (Argentina) endorsed the view expressed by the representative of the Philippines. The Intergovernmental Group was to be congratulated on its efforts, but the UNCTAD Board was not. The Group of 77 had every reason to be disappointed. It had worked hard from the outset in a constructive spirit, and the broad proposals it had submitted to the Intergovernmental Group had represented a joint position obtained as the result of great sacrifices on the part of some countries. He did not feel that equal efforts to negotiate had been made by the representatives of countries in Group B, and considered that the late submission of the Group B paper reflected a lack of any real desire to negotiate.

35. Mr. KARKER (Pakistan), supported by Mr. HUSAIN (Bangladesh), Mr. SAI (China), Mr. [illegible] (Ethiopia), Mr. [illegible] (Ghana), Mr. [illegible] (Iraq), Mr. SAOU (Singapore), Mr. [illegible] (Sudan), Mr. [illegible] (Yugoslavia), fully endorsed the statement by the Philippine representative.

36. The PRESIDENT said that the Board appeared to have concluded its substantive debate of UNCTAD's contribution to the new International Development Strategy, and could consider its course of action. It might now be ready to consider the report on the third session of the Intergovernmental Group on the Least Developed Countries (TD/B/787).

37. Mr. LAUTOFT (Denmark), Chairman of the third session of the Intergovernmental Group on the Least Developed Countries, said that at its third session the Intergovernmental Group had been called on, by Conference resolution 122 (V), to review the recommendations of the Group of High-Level Experts that had met in November 1979 to consider, first, the Comprehensive New Programme of Action for the Least Developed Countries; secondly, studies of the requirements, special measures and other detailed elements of an improved strategy to assist the least developed countries; and thirdly, detailed recommendations for the operation of the Substantial New Programme of Action for the 1980s. A list of the documents before the Group at its third session appeared as Annex II to its report (TD/B/787).

38. The third session had been very successful. It had heard encouraging statements both from donors and from least developed countries on steps being taken to implement the Immediate Action Programme (1979-81), and on their support for the Substantial New Programme of Action for the 1980s. The constructive spirit prevailing at the session had resulted in the unanimous adoption of four important resolutions (Annex I to the report). The text of resolution 6 (III), entitled "Recommendations on the least developed countries for inclusion in the International Development Strategy for the United Nations Development Decade", was of special relevance to the Board's eleventh special session, for it had been adopted unanimously.

39. The PRESIDENT called on the representative of the Secretary-General of UNCTAD to introduce the report of the Group of High-Level Experts on the Comprehensive New Programme of Action for the least Developed Countries (TD/B/775).

40. Mr. STOUP (representative of the Secretary-General of UNCTAD) said that Conference resolution 122 (V) on the Comprehensive New Programme of Action for the Least Developed Countries had called on the UNCTAD Board to review at its special session the recommendations of the Group of High-Level Experts and to consider the background studies of the requirements, special measures and other detailed elements of an improved strategy for assisting the least developed countries. That document had not been fully studied, because it had become available only recently, but it would clearly prove most useful in the development of the New Programme of Action and in preparing the United Nations Conference on the Least Developed Countries. The other background documents were useful, and the Board might wish to take note of them and recall that as background documents for the use of the preparatory machinery of that Conference.

41. Mr. [illegible] (Bangladesh) said that unanimous agreement had been reached on the proposals concerning the least developed countries as part of the contribution by UNCTAD to the International Development Strategy, although there had been some difficulties during the negotiations. The report of the High-Level Experts provided information that would prove useful in the formulation of the provisions of the new Strategy relating to the least developed countries. It considered that that report (TD/B/C.7/2 and 3(2)) should be transmitted to the General Assembly.

42. The PRESIDENT said it might be possible to organize a further session by the High-Level Expert Group shortly. It had been thought that such a session would be difficult. The unsuccessful efforts had been made by very able people. The proposal made by the representative of the Philippines for another attempt had received considerable support. The secretariat would, of course, have to inquire whether another meeting could be accommodated within the existing calendar of meetings, and the Board might consider the matter at its twentieth session, in connexion with the calendar of future meetings.

43. Mr. [illegible] (Philippines) said that although his original suggestion had been a tentative proposal, it had won considerable support. He could not agree to the question of a further session of the High-Level Expert Group should be taken up by the Board at its twenty-first session, since it was clear that the mandate of the special session was to take whatever action was necessary in order to improve UNCTAD's contribution to the new Development Strategy. Obviously, therefore, it was perfectly proper to provide at the special session for a further session of the High-Level Expert Group. It was the duty of the secretariat to implement the decisions of the Board, and not to raise difficulties.

44. The PRESIDENT said that the agenda for the Board's twentieth session included an item on the calendar of meetings, and it would therefore be logical to consider the question at that session. His impression that the statement had given rise to the mistaken impression that the secretariat was not acting in its usual loyal best to carry out the Board's instructions within the bounds of the possible.

45. Mr. [illegible] (Italy) suggested that a decision might be taken, when the Board resumed work in the following week, to approve the report; in the meantime it would be sufficient to take note both of the proposal by the Group of 77 for submitting the report and the annexed documents to the Preparatory Committee and of the proposal for continuing negotiations.

46. Mr. MARTINEZ (Argentina) said he did not consider there was any point in proposing a further session of the High-Level Intergovernmental Group if there was no real political will on the part of Group B to negotiate, and thus to comply with the Board's mandate. He did not regard the Group B paper as a serious basis for negotiation and supported the paper submitted by the Group of 77.

47. Mr. CHIDI (Italy), speaking on behalf of Group B, said that the spokesmen for the Group of 77 had recognized and welcomed the efforts made by the various groups in the preceding week to prepare a consolidation document on UNCTAD's contribution to the new International Development Strategy. The Chairman of the High-Level Intergovernmental Group had also recognized in his statement that the reason why negotiations had not taken place was that there had not been sufficient time. He (Mr. Chidi) therefore objected to the approach made by the delegation of Argentina concerning Group B's alleged unwillingness to negotiate.

48. Mr. TEKLEWOLD (Ethiopia) said that, if delegations so agreed, the Board might decide to reconvene the High-Level Intergovernmental Group and to invite the Secretary-General of UNCTAD to inform the Board, at the start of its twentieth session, what it would be possible to conclude further in time.

49. Mr. ZERPA (Venezuela) said that the proposal by the representative of the Philippines for the continuation of the work of the High-Level Intergovernmental Group would have been a valid one if it had been presented by Group B. Unfortunately, however, the view of Group B was that the decision on the proposal should be postponed until the start of the Board's twentieth session. In his delegation's opinion, that attitude indicated that Group B continued to be unwilling to negotiate. He would not, therefore, see how the problem could be solved merely by adding the agreed text to suggest dates for further meetings, particularly since the Preparatory Committee also had a heavy programme of work which had to be completed by June 1980. Paragraph 2 of Board resolution 189 (XIX) stated that the eleventh special session should "consider and, as appropriate, adopt" the contribution which UNCTAD should make to the International Development Strategy for the Third United Nations Development Decade, but his delegation was of the opinion that it was neither possible nor appropriate for the Board to reach unanimous agreement on a contribution. In his opinion, the Board should merely take note of the positions of the various groups and transmit the relevant documents to the Preparatory Committee.

50. Mr. CASTRO ARAIJO (El Salvador), Mr. DIAZ TEJERA (Mexico), Mr. ALONSO ESPINOSA (Cuba) and Mr. LAZO (Trinidad and Tobago) supported the views expressed by the representative of Venezuela.

51. Mr. CHIDI (Italy), speaking on behalf of Group B, referred to his earlier suggestion that, when resuming its twenty-ninth special session, in the course of its twentieth session, the Board might take a decision on the proposal made by the Group of 77 that document TD/B/783 and the annexes thereto should be transmitted to the Preparatory Committee in New York and take note of the desire of delegations to continue work on UNCTAD's contribution to the new International Development Strategy. Group B would not therefore oppose the idea of continuing the work on the consolidation of UNCTAD to the preparation of the new Strategy.

58. The PRESIDENT said that he could not support that the Board's views regarding the nature and urgency to be outlined. It appeared, therefore, that no decision should be taken at the current meeting, and he was pretending that he would consult with the President of the Committee of the Whole on the recommendations of the various groups concerning a solution to the exemption of the Seventh special session.

57. Mr. DAS (India), speaking on behalf of the Group of 77, said he did not think that the proposal by the Philippine representative conflicted with that put forward by the Group of 77. [illegible] interpreted the Philippine proposal [illegible] continuation of the work of the Ad-hoc Inter-governmental Group on consultation on the proposal [illegible] by the Group of 77 [illegible] document TD/B/770 and its annex should be transmitted to the Preparatory Committee. The Group of 77 was prepared to continue consultations on the contribution of UNCTAD to the preparation of the International Development Strategy. The Group of 77 was willing to hold further consultations. It supported the view that a decision on the proposal should be taken by the Board during its Seventh special session in the course of its twenty-fifth session.

58. Mr. DIAZ (Italy), speaking on behalf of the group of countries [illegible] Group B had no objection to the termination of the consultations under [illegible] Inter-governmental Group on the continuation of the work of the Ad-hoc Inter-governmental Group.

59. The PRESIDENT (Romania) said it was therefore necessary to decide the date by which the report of the Ad-hoc Inter-governmental Group would have to be communicated to the Preparatory Committee in its Ad-hoc capacity. It would not be possible for the regional groups to continue their consultations until that time.

60. The PRESIDENT said that the Board was expected to submit its contribution to the preparatory Committee in the Ad-hoc Committee's meeting scheduled from 14 to 25 April and that it was for the Board itself to decide whether further consultations should be held.

61. Mr. ARTIGUEZ (Philippines) reaffirmed that the views he had expressed, which had become a bird of proposal, were not in conflict with the proposal made by the spokesman of the Group of 77. With regard to the proposal for further consultations on the document to be submitted to the Preparatory Committee, he was glad to note that the spokesman for Group B had confirmed that Group's willingness to continue work on UNCTAD's contribution to the preparation of the new International Development Strategy. That confirmation could be taken as a reply to the opinions expressed by the delegations of Argentina, Venezuela, El Salvador, Mexico, Cuba and Trinidad and Tobago.

62. He formally proposed that the Secretariat should be requested to submit the report contained in document TD/B/770/Add.5 and the annex thereto directly to the Preparatory Committee and whether to continue the work on UNCTAD's contribution to the preparation of the new International Development Strategy should be taken simultaneously when the Board considered the calendar of meetings at its twenty-fifth session.

63. Mr. MEDINA (Ecuador) said that his delegation supported the proposal by the representative of the Philippines.

60. Mr. SUAYO (Indonesia) said that his delegation likewise supported the Philippine proposal that the documents under consideration should be transmitted to the Preparatory Committee and that another round of negotiations should be held so that UNCTAD might make a positive contribution to the preparation of the new International Development Strategy.

61. Mr. HARRIS (United Kingdom) proposed that, in order to avoid any oversimplification of group positions, the Board should decide during the following week what its best course of action would be.

62. Mr. BRILLANTES (Philippines) said that he was concerned more with the substance of the proposal he had made than with the timing of a decision on it.

63. The PRESIDENT said he gathered that all delegations agreed that the two decisions should be taken simultaneously at the same meeting. The Board did, however, need a short period of reflection because there was no consensus on what it would do in future.

64. Mr. LALOUX (Belgium) said that his delegation agreed with the President that the two decisions should be taken simultaneously and that there should be some time for reflection.

65. During that time, he hoped that delegations would consider the following points: First, there was no contradiction between the two decisions to be taken. Secondly, as other delegations had also pointed out, the achievement of disappointing results was nothing new in UNCTAD. The current session was certainly not the first time that texts setting out the positions of the various groups had had to be annexed to a report. Thirdly, the Board's task was not so much to schedule further negotiations as to ensure that a unanimously agreed text was sent to the Preparatory Committee in New York. In view of the warning sounded by the Director of the UNCTAD Division for Programme Support Services and by the spokesman for the Group of 77 at the preceding session of the Board, his delegation considered that it was not always necessary or reasonable to reconvene groups of experts every time they were unable to reach agreement.

66. Mr. TERUFE (Ethiopia) said it was a positive sign that the spokesmen for Group B and the Group of 77 had both stated that their Groups were willing to try to reach agreement on a consolidated document containing UNCTAD's contribution to the new International Development Strategy. In that connection, his delegation supported the proposal made by the representative of the Philippines and considered that, if the Board transmitted the documents under consideration to the Preparatory Committee, no harm would be done if it also agreed to continue its work on UNCTAD's contribution to the new International Development Strategy.

67. Mr. HOMADT (Austria) said that his delegation fully supported the views expressed by the representative of Belgium, for what was at stake was UNCTAD's credibility.

68. The PRESIDENT said that, if he heard no objection, he would take it that the Board agreed to resume its eleventh special session during its twentieth session and to take a decision at that time on the proposal made by the representative of the Philippines.

69. It was so agreed.

PROCEDURAL MATTERS (agenda item 1)

(d) ADOPTION OF THE REPORT ON CREDENTIALS (TD/B/702)

70. The PRESIDENT said that, in accordance with rule 17 of the rules of procedure, the Bureau of the Board had examined and found in order the credentials of all the representatives attending the eleventh special session. If he heard no objection, he would take it that the Board decided to adopt the report on credentials.

71. It was so decided.

The meeting rose at 6.05 p.m.